

## It looks like the UK Swiss tax deal is in trouble

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For the second time this morning, I pick up a significant change in sentiment in a news story that suggests real change is afoot. [First it was the NHS](#), now it is about the UK Swiss tax deal, and importantly, the change in mood music is coming from [Swissinfo, which has reported](#):

*The tax deals which Switzerland reached last year with Britain and Germany could yet fail in the face of opposition in Europe and in the countries concerned.*

*The agreements use the so-called "Rubik" model for dealing with the undeclared billions held by foreign customers in Swiss banks.*

*It is quick and easy: the countries whose taxpayers have tried to hide their assets get an inflow of money straight away, and Swiss banks remain relatively attractive to the super-rich who prefer to keep a low profile.*

*It works by levying a withholding tax on the assets held in the banks. In other words, a tax is automatically levied on the interest they earn, and then remitted to the country concerned. But no information about the identity of clients is provided.*

*And that is the sticking point: the European Union is insisting on "automatic exchange of information", so that tax evaders can be tracked down.*

Apologies to them for a lengthy quite but it's necessary to get a sense of how Swiss sentiment is changing. And changing it is because this deal is beginning to look dead in the water.

It contravenes EU laws in the European Savings Tax Directive.

It undermines EU solidarity against tax evasion.

It helps preserve the concept of Swiss banking secrecy that was designed to assist tax evasion, and still does so.

And it's very obviously a tawdry deal.

Osborne and Hartnett went for it. But it looks like the EU will kill it, as a very few of us suggested possible. And that will be good news for the EU as a whole.